

4. Strategic Plan

This section describes what the Commonwealth of Massachusetts hopes to accomplish in the area of housing and community development over the next five years (objectives), the strategies with which it intends to achieve these objectives and how it will know whether it has been successful (outcome measures). In each program area – affordable housing, homelessness, special needs, and community development – priority needs have been identified, consistent with HUD guidelines. The objectives and strategies respond to those needs.

The Commonwealth uses the consolidated planning process to re-evaluate its housing and community development program in its entirety. The \$58 million the state expects to receive annually over the next five years from the four HUD programs covered by this plan is just one piece, albeit a crucial one, of an overall investment of more than \$1 billion each year for housing production, preservation, rental assistance, anti-poverty, and economic development initiatives and public facilities and infrastructure. The state's housing needs cut across a wide range of incomes and household types. Consistent with HUD mandate, however, the overwhelming majority of its funding directly benefits low income families and individuals, and most benefits very low and extremely low income households.

Also included in this section is the state's strategy for removing barriers to affordable housing; its actions to reduce lead-based paint hazards; its anti-poverty strategy; and the institutional structure through which the Commonwealth will carry out its plan, including activities to enhance coordination among housing providers, government and quasi-governmental agencies and other participants. Two additional requirements – a description of the state's strategy for coordinating the federal Low Income Housing Tax Credit Program into its larger affordable housing and community development planning and a description of activities to encourage public housing residents to become more involved in management and to participate in homeownership – are also addressed in this section.⁹³

Relationship of the Strategic Plan to the Action Plan

The Strategic Plan describes *generally* how the state will allocate the resources it expects will be available during the period covered by the plan, including – but not limited to – the four HUD programs covered by the Plan (CDBG, HOME, including ADDI, ESG, and HOPWA). The Action Plan, contained in Section 5 is much more detailed, and identifies specific activities that will be undertaken this year to achieve the long term objectives. For example, while the Strategic Plan states that Massachusetts will expand sustainable homeownership opportunities by providing homebuyer counseling, down payment assistance or affordable mortgage programs, the Action Plan specifies the number of homeowners to be assisted under each specific programmatic initiative (e.g., Soft Second Mortgage Program, MassHousing First Time Homebuyer Program, etc.)

⁹³ The Massachusetts Low Income Housing Tax Credit Qualified Allocation Plan (QAP) 2005 was prepared in concert with this Plan and demonstrates the State's coordinated approach to resource allocation. The QAP is incorporated by reference into the Consolidated Plan. It is available in its entirety at DHCD's website <http://www.mass.gov/dhcd/Temp/04/QAP04drf.pdf>. Although no Massachusetts state agency administers federal public housing funds, DHCD oversees and funds a portfolio of approximately 50,000 state-aided public housing units that are owned and operated by 242 local housing authorities (LHAs) and has taken several steps to encourage tenant participation and homeownership.

Summary of Findings

Sections 2 and 3 describe in some detail the current market conditions in Massachusetts and the challenges they pose for low income families and individuals, and those with special needs. Section 2 also provides evidence that the housing affordability problem affects moderate and middle income households as well and, in fact, threatens the economic competitiveness of the state and the well-being of all residents. To briefly summarize the key findings and their implications:

- Massachusetts has an unmet need for affordable housing of approximately 550,000 units. This is the number of extremely low and very low income Massachusetts households who are paying a disproportionate amount of income for housing and/or are living in overcrowded or substandard conditions. Seventy-three percent of these households are renters.
- While there is some regional variation in need – and more frequently in priorities – all regions identified affordable housing, housing rehabilitation and preservation, and public infrastructure improvements as priorities.
- Housing that is affordable, and accessible, to populations with special needs – and resources to address their needs – are inadequate.
- There is a need for affordable rental housing and homeownership opportunities for a range of incomes, in areas of economic expansion and job growth.
- The economic downturn in 2001, and the economy's continued sluggish performance, have reduced local aid and increased demand for CDBG support for infrastructure improvements. Meanwhile, the challenges associated with expanding the supply of affordable housing and fostering economic development, while balancing concerns related to the environment, municipal services and fiscal capacity, have increased demand by communities for planning and technical assistance.

Consolidated Plan 2005-2009 Objectives

The state's housing and community development agenda flows from these findings. Its goal is to provide broad economic opportunity and a high quality of life for all Massachusetts residents. The following objectives reflect that goal:

1. Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs.
2. Expand sustainable homeownership opportunities for low, moderate and middle income families.
3. Reduce chronic and family homelessness by providing a viable continuum of care.
4. Ensure that Massachusetts residents with long-term support needs have access to appropriate services and accessible, community housing options that maximize consumer choice.
5. Enhance the prosperity and economic competitiveness of all regions of the state, ensuring that economic growth is compatible with community and environment.

6. Ensure full and fair access to housing for all residents

Some of these objectives relate to more than one program area or population. For the most part, though, objectives 1 and 2 relate to the need to provide adequate, accessible and affordable housing for the population at large; objective 3 relates to the needs of the homeless and near homeless populations; objective 4 to the needs of residents with special needs; objective 5 to the community and economic development needs of the state's low and moderate income residents and communities. Therefore, the strategies and initiatives in support of these objectives have been organized by these programmatic areas (affordable housing, homelessness, special needs, and community development). The objective of ensuring full and fair access to housing relates to all populations and activities.

Strategic Approach

In developing its plan, DHCD considered the needs and challenges identified by residents, housing and service providers, municipalities, and others, as well as the statistical evidence gathered and analyzed over a period of more than six months. The agency focused on identifying the most frequently cited priority needs, whether – and how – they had changed since the last Consolidated Plan was prepared, what programs or resources were currently in place to address these needs, where there were gaps, and how those gaps could be addressed.

In its execution of the plan, DHCD and its partner agencies will be guided by the following fundamental principles:

- Promote fair housing
- Promote sustainable development (See **Table 4.1**, the state's sustainable development principles.)
- Enhance the capacity of community based organizations and local government
- Remove barriers to affordable housing development
- Improve the outcomes of government action

Resources, Funding Levels and Priorities

Consolidated Plan Programs

Table 4.2 presents the FY 2005 Consolidated Plan funding levels as they are now projected. DHCD anticipates that these programs will continue to be funded at approximately the same level for the duration of the plan. These funds will be combined with other federal, state, local, and private resources and allocated to address the housing and community development strategies and actions identified in the following section. **Appendix D** details the methods of distribution for each Consolidated Plan program, including matching dollar requirements, if any, and source of funds.

Other Resources

In addition to the nearly \$58 million that will flow to the state each year through the federal programs covered by this Consolidated Plan, and the \$329 million that comes from other federal sources to support housing and community development activities (60 percent of which supports federal rental assistance), Massachusetts expects to commit more than \$200 million annually to support the types of activities outlined here. The Commonwealth regularly appropriates funds to support housing and community development activities, providing financing both through its capital and operating budgets. The state also has an affordable housing trust fund; a low income housing tax credit associated with the federal credits, and a state historic tax credit, which provides another funding source for affordable housing that is created through adaptive reuse of qualifying structures.

In addition, MassHousing, the state's housing development finance agency, has a 30 year history of funding a variety of rental housing, homeownership and home repair programs. Several other quasi-public agencies fund the production and preservation of low and moderate income housing with technical assistance, pre-development loans and bridge financing, in addition to permanent loans. These include MassDevelopment, the Massachusetts Housing Partnership Fund, and the Community Economic Development Assistance Corporation. (Their programs and expected annual funding levels are detailed in Section 5, the FY 2005 One-Year Plan and in **Appendix C**.)

During the period covered by this Consolidated Plan, the Commonwealth expects to have available the following additional resources *on an annual basis* for its housing production programs:

- \$123 million from state bonds (HIF, HSF, FCF, public housing modernization, affordable housing trust fund)
- \$11.9 million in federal and \$4 million in state low income housing tax credits, which will leverage nearly \$100,000,000 in investor capital for low income rental housing production and/or preservation
- \$25 million from other federal housing production programs (Section 202, 811)
- \$500 million in project financing from the state's quasi-public agencies

Priorities

In allocating its federal Consolidated Plan resources, the Commonwealth will give priority to the following needs: 1) extremely low income households, including the homeless and those at risk of becoming homeless, 2) special needs populations, 3) renter households, and 4) very low income owner occupied households. These priorities reflect the state's objective of reducing chronic and family homelessness, and for complying within the term of this plan with the *Olmstead*⁹⁴ decision and similar Massachusetts settlements involving the needs and rights of residents with long term support needs. They also acknowledge the overwhelming preference of low income elderly homeowners to remain in their homes and "age in place," and the need of other low income

⁹⁴ Olmstead v. L.C. (98-536) 527 U.S. 581 (1999).

homeowners to improve and upgrade their housing to preserve its safety and viability. And, finally, they reflect the importance of an adequate supply of accessible, affordable rental housing – especially in communities with economic opportunities and strong school systems – if low income families are to succeed in moving out of poverty.

The following series of tables⁹⁵ provide the state’s estimate of needs and priorities, according to prescribed HUD format:

- **Table 4.3** (HUD Table 2A, Priority Needs Summary Table) identifies the state’s overall priority needs of the general population by household tenure, size and income level. The goals represent the number of households with unmet needs that the Commonwealth expects to serve based on the resources it expects to have available
- **Table 4.4** (HUD Table 1B, Housing of Special Needs Populations) addresses the needs of elderly and non-elderly households with mobility or self-care limitations
- **Table 4.5** (HUD Table 1A, Homeless and Special Needs Populations) provides the same for homeless and (homeless) special needs Populations

The strategies that the Commonwealth will employ to address its housing and community development needs, the key initiatives associated with each strategy and performance measures are discussed in the following section. Consistent with HUD guidelines, however, they are summarized here in two additional tables:

- **Table 4.6** (HUD Table 1C, Summary of Homeless/Special Needs Objectives)
- **Table 4.7** (HUD Table 2C, Summary of Housing/Community Development Objectives)

Strategies and initiatives are not ranked in order of importance since the Commonwealth believes participating jurisdictions are best able to identify their own priorities.

⁹⁵ Per HUD area office, HUD Table 2B, Priority Community Development Needs, is no longer required.

Table 4.1

**Commonwealth of Massachusetts
Sustainable Development Principles**

1. **Redevelop first.** Support the revitalization of town centers and neighborhoods. Encourage reuse and rehabilitation of existing infrastructure rather than the construction of new infrastructure in undeveloped areas. Give preference to redevelopment of brownfields, preservation and reuse of historic structures and rehabilitation of existing housing and schools.
2. **Concentrate development.** Support development that is compact, conserves land, integrates uses, and fosters a sense of place. Create walkable districts mixing commercial, civic, cultural, educational and recreational activities with open space and housing for diverse communities.
3. **Be fair.** Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning to ensure social, economic, and environmental justice. Make regulatory and permitting processes for development clear, transparent, cost-effective, and oriented to encourage smart growth and regional equity.
4. **Restore and enhance the environment.** Expand land and water conservation. Protect and restore environmentally sensitive lands, natural resources, wildlife habitats, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open space. Preserve critical habitat and bio-diversity. Promote developments that respect and enhance the state's natural resources.
5. **Conserve natural resources.** Increase our supply of renewable energy and reduce waste of water, energy and materials. Lead by example and support conservation strategies, clean power and innovative industries. Construct and promote buildings and infrastructure that use land, energy, water and materials efficiently.
6. **Expand housing opportunities.** Support the construction and rehabilitation of housing to meet the needs of people of all abilities, income levels and household types. Coordinate the provision of housing with the location of jobs, transit and services. Foster the development of housing, particularly multifamily, that is compatible with a community's character and vision.
7. **Provide transportation choice.** Increase access to transportation options, in all communities, including land and water based public transit, bicycling, and walking. Invest strategically in transportation infrastructure to encourage smart growth. Locate new development where a variety of transportation modes can be made available.
8. **Increase job opportunities.** Attract businesses to locations near housing, infrastructure, water, and transportation options. Expand access to educational and entrepreneurial opportunities. Support the growth of new and existing local businesses.
9. **Foster sustainable businesses.** Strengthen sustainable natural resource-based businesses, including agriculture, forestry and fisheries. Strengthen sustainable businesses. Support economic development in industry clusters consistent with regional and local character. Maintain reliable and affordable energy sources and reduce dependence on imported fossil fuels.
10. **Plan regionally.** Support the development and implementation of local and regional plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the larger commonwealth.

Table 4.2

FY 2005 Consolidated Plan Funding		
Program	Agency	Allocation
CDBG	DHCD	\$38,578,167
HOME (including FY 2003 and FY 2004 ADDI)	DHCD	\$16,258,655
ESG	EOHHS	\$2,534,851
HOPWA	EOHHS	\$178,000
TOTAL		\$57,549,673

Source: HUD

Table 4.3

Priority Needs Summary Table (HUD Table 2A)				
PRIORITY HOUSING NEEDS (low income households with housing problems)		Priority Need Level High, Medium, Low	Unmet Need	Goals
Renter				
Small Related	0-30%	H	51,866	6,600
	31-50%	H	32,762	1,400
	51-80%	H	18,304	1,700
Large Related	0-30%	H	13,374	1,800
	31-50%	H	9,356	1,200
	51-80%	H	6,894	900
Elderly	0-30%	H	50,640	6,500
	31-50%	M	21,886	2,800
	51-80%	M	8,918	1,000
All Other	0-30%	H	53,048	6,600
	31-50%	M	32,842	800
	51-80%	M	27,082	400
Owner	0-30%	H	76,649	2,200
	31-50%	H	65,141	7,500
	51-80%	M	86,170	11,700
Special Needs	0-80%	H	121,423	8,200
Total Goals			676,355	64,000
Total 215 Goals				52,000
Total 215 Renter Goals				37,000
Total 215 Owner Goals				15,000

Source: Massachusetts DHCD, based on 2000 CHAS Tables

Notes to Table 4.3 (HUD Priority Needs Table 2A):

Definitions

“Priority Need Level” is defined as follows: High priority means activities to address this need will be funded by the Commonwealth of Massachusetts with federal funds, usually with the investment of other public or private funds during the Consolidated Plan period. Medium priority means if funds are available, activities to address this need may be funded with federal funds, usually with the investment of other public or private funds during the Consolidated Plan period. Also, the state will take other actions to help this group locate other sources of funds. Low priority means the state will not fund activities to address this need during the Plan period. The state will consider certifications of consistency for other entities’ applications for federal assistance.

Data are derived from the 2000 Census.

Goals include projects funded by, or within, the Commonwealth of Massachusetts with funding from all sources identified in Appendix C, during the period 2005-2009 except existing Section 8 Housing Choice Vouchers and the various Massachusetts Rental Voucher Programs. These goals were established assuming a constant level of funds over the next five years.

As defined by HUD, a “Small Related” household (HH) is a household of 2 to 4 persons which includes at least one person related to the householder by blood, marriage, or adoption. A “Large Related” HH is a household of 5 or more persons which includes at least one person related to the householder by blood, marriage, or adoption. An “Elderly” HH is a 1 or 2 person household in which the head of the household or spouse is at least 62 years of age. “Special Populations” include households of one or more persons containing at least one person with a disability, (i.e. mental, physical, developmental, persons with HIV/AIDS and their families) or alcohol or other drug addiction that may require housing with supportive services. “Other” refers to households of one or more persons that do not meet the definition of a small related, large related, elderly, or special populations households.

Section 215 Affordable Housing is defined as follows:

1. Rental Housing: A rental housing unit is considered to be an affordable housing unit if it is occupied by an extremely-low, very-low, or low -income household and bears a rent that is the lesser of (A) the existing Section 8 Fair Market Rent for comparable units in the area or, (B) 30% of the adjusted income of a family whose income equals 65% of the median income for the area, except that HUD may establish income ceilings higher or lower than 65% of the median income because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

2. Homeownership:

A. Housing that is for purchase (with or without rehabilitation) qualifies as affordable housing if it (i) is purchased by an extremely-low, very-low, or low -income first-time homebuyer who will make the housing his or her principal residence and; (ii) has a sale price that does not exceed the mortgage limit for the type of single family housing for the area under HUD’s single family insuring authority under the National Housing Act. B. Housing that is to be rehabilitated, but is already owned by a family when assistance is provided, qualifies as affordable housing if the housing (i) is occupied by an extremely-low, very-low, or low –income household which uses the house as its principal residence and; (ii) has a value, after rehabilitation, that does not exceed the mortgage limit for the type of single family housing for the area, as described in (A) above.

Explanation of Priorities

The state views provision of family housing as highly important and will commit resources from covered programs (CGBG, HOME, ESG, and HOPWA) and from other state and federally funded programs to build, rehabilitate, and preserve affordable rental housing. Accordingly, providing housing for small related and large related rental housing has been classified as high priority for all income categories up to 80% of area median income.

The state recognizes that elderly households have significant housing needs and will fund housing opportunities that will serve elderly households. However, covered program and other funds administered by the state have not been targeted for elderly-only projects. The state does expect that there will be continued development of elderly housing under the HUD 202 program, as well as other programs, and will normally certify the consistency of elderly housing proposals with this Consolidated Plan. Accordingly, elderly rental housing has been classified as a high priority for households below 30% of area median income and as a medium priority for households between 30% and 80% of area median income.

The “all other” category includes single person households and households with two or more unrelated persons. The state does not intend to target such households for dedicated funding from covered programs or other resources, except to the extent that very low-income households are given preference for Section 8 subsidies which, under currently prevailing market conditions, the state intends to make available to provide some deep subsidy units in certain new rental development projects. Accordingly, providing rental housing for “all other” households under 30% of area median income has been classified as a high priority and as a medium priority for

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such households that are above 30% of area median income. (Where single person households meet another priority need, e.g., a disabled person moving from a group facility to an independent living situation, (s)he will receive priority as per Table 5.4 (HUD Table 1B, Housing Needs of Special Populations).

The state views the promotion of homeownership as an essential long-term housing strategy, because it can help low- and moderate-income persons build assets, become more integrally invested in their communities, and become less exposed to future increases in the cost of rental housing. In addition, homeownership can contribute to the stability and vitality of neighborhoods and communities. Homeownership is promoted both by helping first-time homebuyers to purchase their homes and assisting existing homeowners with sub-standard physical conditions to stabilize their housing situations. Therefore, the state has classified providing assistance for low- and moderate-income owners as a high priority.

The state recognizes the serious housing needs of persons with special needs. The state currently provides additional consideration for special needs housing in its Low Income Housing Tax Credits Qualified Allocation Plan and in selecting projects to receive HOME as well as state funds. In addition, the Housing Development Support Program component of the Mass. CDBG program often funds small-scale, special needs housing projects. Accordingly, special needs housing has been assigned a high priority.

It should be noted that, although the state can target its resources, it cannot assure that the outcomes will be proportional to the goals. Much of the success the state has enjoyed in stimulating homeownership opportunities through "low cost" actions like 40B, NEF and MassHousing, and its ability to capture affordable units in market rate developments through inclusionary zoning or 40B, by economic necessity serve households closer to 80 percent of AMI than to 50 or 30 percent. Each category of need was evaluated along with the resources expected to be available.

Table 4.4

HUD Table 1B: Housing Needs of Special Populations					
SPECIAL NEEDS SUBPOPULATIONS	Priority Need Level High, Medium, Low, No Such Need	Unmet Need	Dollars to Address (Low Estimate)	Dollars to Address (High Estimate)	Goals
Elderly	M	20,235	\$10,000,000	\$150,000,000	1,000
Frail Elderly	H	34,312	\$20,000,000	\$300,000,000	2,000
Severe Mental Illness	H	2,500	\$15,000,000	\$225,000,000	1,500
Developmentally Disabled	H	2,700	\$15,000,000	\$225,000,000	1,500
Physically Disabled	H	51,976	\$20,000,000	\$300,000,000	2,000
Persons with Alcohol/Other Drug Addictions	H		\$4,000,000	\$60,000,000	400
Persons with HIV/AIDS	H	3,700	\$8,000,000	\$120,000,000	800
Other	M	6,000			
Total		121,423	\$92,000,000	\$1,380,000,000	8,200

Table 4.5

HUD Table 1A: Homeless and Special Needs Populations					
	Individuals	Estimated Need	Current Inventory	Unmet Need/Gap	Relative Priority
Beds	Emergency Shelter	3,934	3,759	175	H
	Transitional Housing	3,366	2,949	417	H
	Permanent Housing	4,107	2,780*	1,327	H
	Total	11,407	9,488*	1,919	
	Job Training	5,840	2,920	2,920	H
	Case Management	7,300	2,190	5,110	H
Estimated Supportive Services Slots	Substance Abuse Treatment	5,840	2,044	3,796	H
	Mental Health Care	3,650	1,825	1,825	H
	Housing Placement	7,300	2,555	4,745	H
	Life Skills Training	4,380	1,533	2,847	H
	Other:				
	Stabilization Services	7,300	5,475	1,825	M
Estimated Sub-Population <i>People may be counted more than once</i>	Legal	3,650	1,095	2,555	M
	Chronic Substance Abuse	6,429	5,979	450	H
	Seriously Mentally Ill	4,294	3,844	450	H
	Dually-Diagnosed	2,147	1,074	1,073	H
	Veterans	2,873	2,748	125	H
	Persons with HIV/AIDS	3,177	2,977	200	H
	Victims of Domestic Violence	3,475	3,425	50	H
	Youth	813	738	75	H
	Other - Chronically Homeless	1,171	671	500	H
	Persons in Families with Children	Estimated Need	Current Inventory	Unmet Need/Gap	Relative Priority
Beds	Emergency Shelter	3,954	3,804*	150	H
	Transitional Housing	1,528	1,344*	184	H
	Permanent Housing	3,007	574	2,433	H
	Total	8,489	5,722*	2,767	
Estimated Supportive Services Slots	Job Training	2,206	441	1,765	H
	Case Management	2,451	1,838	613	H
	Substance Abuse Treatment	613	92	521	H
	Mental Health Care	1,961	588	1,373	H
	Housing Placement	2,451	2,206	245	H
	Life Skills Training	735	441	294	H
	Other:				
	Parenting	1,471	662	809	H
Estimated Sub-Population <i>People may be counted more than once</i>	Transportation	2,206	529	1,676	H
	Chronic Substance Abuse	613	153	460	H
	Seriously Mentally Ill	490	123	368	H
	Dually-Diagnosed	368	92	276	H
	Veterans	74	18	55	H
	Persons with HIV/AIDS				
	Victims of Domestic Violence	2,083	521	1,563	H
	Youth				
	Other	319	80	239	H

* Includes the following beds/units under development in 2004: for individuals - 48 permanent supportive housing units; for families with children - 64 emergency shelter beds and 100 units of transitional

Table 4.6

HUD Table 1C
Summary of Specific Homeless/Special Needs Objectives

Specific Objectives	Performance Measure	Expected Units	Actual Units
Homeless Objectives			
Reduce chronic and family homelessness by providing a viable continuum of care		See annual production estimates, Table 5.4	Not Applicable
Key Strategies			
Prevent homelessness	Number of tenancies preserved		
Provide housing first	Number of placements that result in successful tenancies		
Get chronically homeless people into permanent supportive housing as quickly as possible	Number of placements that result in successful tenancies		
Develop a range of housing options and services for homeless families and individuals	Additional units brought on line or otherwise made available		
Continue to provide emergency shelters and transitional housing for the homeless	Monitor occupancy rates at shelters; homeless census		
Reconfigure existing beds towards transitional and permanent housing options especially for recently released inmates from correctional facilities and those in need of substance abuse treatment	Number of beds converted		
Improve access/coordination across mainstream services and benefit sources	Number of consumers receiving mainstream benefits who previously hadn't		
Preserve existing affordable housing (both publicly assisted and private)	Low income units preserved		
Maintain a system of public housing and rental assistance	Re-occupancy of vacant public housing units		
Increase the supply of housing	# units created (per building permits); % affordable		
Special Needs Objectives			
Ensure that Massachusetts residents with long-term support needs have access to appropriate services and accessible, community housing options	Number of placements that result in successful tenancies		
Key Strategies			
Encourage community-based, supportive living options for the disabled	Number of new developments that include units for		

Table 4.7

HUD Table 2C
Summary of Specific Housing/Community Development Objectives

Specific Objectives	Performance Measure	Expected Units	Actual Units
Rental Housing Objectives			
Employing the following new production and preservation strategies, develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs : preserve the physical and financial viability of existing affordable housing, both publicly assisted and private; maintain a system of public housing and rental assistance that serves those with extremely low incomes, including those with disabilities, the homeless and those at risk of homelessness; increase the supply of housing across a range of incomes; aggressively implement the Massachusetts Lead Paint Law, targeting high risk communities; and provide technical assistance and incentives to build and expand the capacity of municipalities and developers, particularly nonprofit developers, to increase and expand affordable housing options. A variety of federal, state and local resources support these strategies, including CDBG and HOME funds (and, indirectly, HOPWA and ESG)	See Measuring Outcomes section	See annual production estimates, Table 5.4	Not Applicable
Owner Housing Objectives			
Employing the following strategies, expand sustainable homeownership opportunities for low, moderate and middle income families : homebuyer counseling and education; down payment assistance and affordable mortgage programs; purchase and rehabilitation of existing units for sale to low and moderate income homebuyers; increase the supply of housing affordable to a range of incomes; and provide technical assistance and incentives to build and expand the capacity of municipalities and developers, particularly nonprofit developers, to increase and expand affordable housing options. A variety of federal, state and local resources support these strategies, including CDBG, HOME and ADDI funds			
Assist existing low and moderate income homeowners to make home repairs and/or modifications , using a variety of federal, state and local programs including CDBG and HOME			
(Non-housing) Community Development Objectives			
Enhance the prosperity and economic competitiveness of all regions of the state, ensuring that economic growth is compatible with community and environment. This following strategies will be employed toward this end: support municipalities with planning and technical assistance; assist communities with public facilities and infrastructure improvement; support local business development and retention strategies; and assist low and moderate income individuals and communities through individual and institutional development			
<i>NOTE: Beyond articulating the overall strategy and developing (with input from the major stakeholders) the strategic approach it will follow, DHCD does not prioritize specific initiatives or set production targets in the HUD-designated categories (infrastructure, public facilities, public services, economic development, other). Needs, and resources, vary greatly from community to community and from region to region. The Commonwealth believes that participating jurisdictions are best able to establish priorities and set appropriate production/activity targets.</i>			

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Tables 4.8 summarizes the Commonwealth of Massachusetts' strategy for allocating its Consolidated Plan-covered resources, presenting its five year objectives and proposed annual funding allocations. Its companion, **Table 4.9** illustrates the integration of the state's Consolidated Plan resources with the objectives and described above, as required by HUD.

Table 4.8

One Year Action Plan and Five Year Objectives						
#	Objectives/Consolidated Plan Resources	FY 2005			FY 2005-2009	
		\$ Committed	Est. # to be Assisted	Target Population	Est. # to be Assisted	\$ Committed
1	Maintain adequate supply of decent, safe housing, affordable and accessible for range of incomes and needs					
	CDBG - CDF I and II and Mini-Entitlement*	\$14,721,163	600	Min 51% low income		
	CDBG - HDSP	\$5,000,000	100	Min 51% low income	500	\$25,000,000
	HOME - MF Rental Housing	\$8,000,000	225	100% below 60%, 20% VLI	1,125	\$40,000,000
	HOME - MF Rental Housing/Suburban Rental Pilot Project	\$2,000,000	60	100% below 60%, 20% VLI	300	\$10,000,000
2	Expand sustainable homeownership opportunities for low, moderate and middle income families					
	HOME - Homebuyer Assistance - rehab/new construction for FTHBs	\$4,300,000	78	100% low income	390	\$21,500,000
	HOME - Homebuyer Assistance - down payment and closing cost assistance	\$1,000,000	200	100% low income	1,000	\$5,000,000
	HOME - ADDI	\$681,000	70	100% low income	350	\$3,405,000
3	Reduce chronic and family homelessness by providing viable continuum of care					
	ESG	\$2,534,851	2,500	Homeless priority populations	12,500	\$12,674,255
	HOPWA (\$ Counted under Special Needs)			100% low income, 50% ELI	NA	\$0
4	Ensure access to appropriate services and accessible community housing options for special needs persons					
	HOPWA - Rental Assistance Programs	\$178,000	NA	100% low income, 50% ELI	NA	\$890,000
5	Enhance prosperity and economic competitiveness of all regions compatible with community and environment					
	CDBG - CDF I and II and Mini-Entitlement*	\$14,721,163	NA	Min 51% low income	NA	\$73,605,815
	CDBG - Mini-Entitlement	\$9,000,000	NA	Min 51% low income	NA	\$45,000,000
	CDBG - Economic Development Fund	\$2,400,000	NA	Min 51% low income	NA	\$12,000,000
6	Ensure full and fair access to housing					

NA = Not Applicable

* Based on FY 2005 requests for funding, it is estimated that the \$20,442,326 CDF I and II funds and the \$9,000,000 Mini-Entitlement funds will be split, roughly 50-50 between housing initiatives in support of Objective #1 and non-housing community development activities in support of Objective #5.

Table 4.9 Strategies and Resources Matrix

2005 Program Year Objectives		Consolidated Plan Programs			
		CDBG	HOME	ESG	HOPWA
1	Maintain adequate supply of decent, safe housing, affordable and accessible for range of incomes and needs	X	X		
2	Expand sustainable homeownership opportunities for low, moderate and middle income families	X	X		
3	Reduce chronic and family homelessness by providing viable continuum of care			X	X
4	Ensure access to appropriate services and accessible community housing options for special needs persons			X	X
5	Enhance prosperity and economic competitiveness of all regions compatible with community and environment	X	X		
6	Ensure full and fair access to housing	X	X	X	X

2005-2009 Strategies and Key Initiatives

The objectives the state has articulated and the strategies it intends to implement in support of its objectives are discussed below. Massachusetts does not prioritize these strategies for two reasons: 1.) it is the policy of DHCD and the other administering agencies to allow regions and municipalities to determine their own priority needs and the most appropriate ways to address them, as long as they are consistent with program guidelines for low and moderate income benefit, and 2.) the state will respond to opportunities or changing circumstances if necessary.

Just as some of the objectives relate to more than one programmatic area, some strategies respond to more than one objective. Where this is the case, the strategy is described the first time it is referenced.

Affordable Housing

Objective #1: Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs

Achieving this objective will require both new production and preservation strategies. While there is a clear need to expand housing production for all but the very highest income households, the cost of producing new units that are affordable for low and moderate income households far exceeds the cost of preserving that which already exists.

Strategies to Expand and Maintain Supply:

- Preserve the physical and financial viability of existing affordable housing (both publicly assisted and private).

Significant progress has already been made in preserving federally funded and subsidized housing, but there is a need to continue such efforts and also to preserve state and privately

funded housing.⁹⁶ Programs that commit new funding to housing developments to preserve their physical and financial viability (e.g., developments with expiring use restrictions or expiring subsidy contracts) as well as programs that represent the continuation of existing funding commitments (e.g., public housing and even private housing which is serving low and moderate income households with or without the use of subsidies) support this preservation strategy.

- Maintain a system of public housing and rental assistance that serves those with extremely low incomes, including those with disabilities, the homeless and those at risk of homelessness
- Increase the supply of housing across a range of incomes

A major factor contributing to the state's high housing costs was the shortfall in housing production, relative to demand, between 1995 and 2001. A key strategy for the period covered by the 2005-2009 Plan is to increase housing starts by a number sufficient to eliminate the supply/demand imbalance and bring housing costs into line with the other components of the consumer price index. Massachusetts has already moved to implement these strategies. Housing starts increased by 15.9 percent in 2003, spurred by a jump in multi-family permitting of more than 88 percent, and much of the new production was stimulated by public resources and intervention. Building permits increased by an additional 5% percent in 2004.

- Aggressively implement the Massachusetts Lead Paint Law, targeting high risk communities
- Provide technical assistance and incentives to build and expand the capacity of municipalities and developers, particularly non-profit developers, to increase and expand affordable housing options
- Balance the housing needs of the Commonwealth by encouraging coordination of investment with local and regional needs to promote diversity and housing choice

Objective #2: Expand sustainable homeownership opportunities for low, moderate and middle income families

Owning a home is still the goal of most Americans, and research suggests that homeownership has a positive influence on families, neighborhoods and the economy. The homeownership rate in Massachusetts, although rising in recent years, still lags that of the U.S. as a whole. (At 65 percent, it ranks 41st out of the 50 states.) High home prices, a consequence of inadequate supply, contribute to the relatively low rate of homeownership, and boosting the homeownership rate is a key strategy for the Commonwealth. Potential homeowners often face one or more of the following challenges: a lack of information about how to buy a home, including how to establish and maintain good credit (information gap); a lack of money for a down payment and closing costs (wealth gap); insufficient stable income to qualify for a mortgage (income gap); or an inability to find desirable housing in an appropriate location that fits their needs and budget (supply gap). The following strategies address these challenges.

⁹⁶ In FY 2004, 3,689 units of privately owned housing units were rehabilitated or preserved using state and quasi-public resources; current year targets are consistent with that achievement. In FY 2004, 103 public housing modernization contracts were initiated and an additional 94 contracts are expected to be initiated this year.

Strategies to Expand Homeownership:

- Provide homebuyer counseling and education

Homebuyer counseling and education are valuable marketing and outreach tools that can bridge the information gap and expand the pool of potential homebuyers, preparing them for a successful application and ownership experience.

- Provide down payment assistance and affordable mortgage programs

The state's public and quasi-public agencies, as well as its conventional lending institutions have developed an impressive array of programs to bridge the wealth and income gaps by making it more affordable for first-time homebuyers to purchase a home. They use a variety of tools including subsidized mortgages, down payment and closing cost assistance, and flexible underwriting criteria.

- Purchase (and rehabilitation) of existing units for resale to low and moderate income homebuyers

Massachusetts agencies offer an array of programs to fund and the redevelopment of deteriorated properties for homeownership and to help low and moderate income people buy existing properties.

- Increase the supply of housing affordable to a range of incomes

Any effort that increases the supply of housing by creating new units, especially moderately priced units, extends the opportunity for homeownership.

- Provide technical assistance and incentives to build and expand the capacity of municipalities and developers, particularly non-profit developers, to increase and expand affordable housing options

Many existing homeowners face challenges as well. For a number of reasons, their numbers are growing: both the housing stock, and the home owning population, is aging; the weak economy has resulted in a loss of income for many households; the state's high home prices have led many to stretch to acquire their home, leaving no cushion for unexpected repairs:

Strategies to Maintain Homeownership:

- Assist existing low and moderate income homeowners to make home repairs and/or modifications

Massachusetts agencies offer an array of programs to fund home repairs to ensure that health and safety issues are addressed, and that the homes remain functional and habitable.

Homelessness

Objective #3: Reduce chronic and family homelessness by providing a viable continuum of care.

The state's strategies in support of this objective focus on key stages in the cycle of homelessness. Early intervention programs can prevent households from becoming homeless by assisting with rent arrearage or moving costs. Better information about the clients of shelters, mental health organizations, substance abuse clinics, corrections facilities and other programs that serve as supports for homeless individuals and families will provide the specialized assistance that is needed to get by and to move out. Improving coordination across services will enhance enrollment into mainstream benefits programs for homeless people. Permanent supportive housing and coordination among service providers will improve the care and quality of life for the chronic homeless, many of whom are unable to live independently without significant assistance. Finally, affordable and subsidized housing opportunities are critical to moving individuals out of chronic homelessness, transitional environments, and dangerous, overcrowded or inappropriate living environments.

Strategies to Reduce Homelessness:

- Prevent homelessness
- Provide housing first
- Get chronically homeless people into permanent supportive housing as quickly as possible and forgoing the time consuming step by step process of "housing readiness"
- Develop a range of housing options and services for homeless families and individuals.
- Continue to provide emergency shelters and transitional housing for the homeless
- Reconfigure existing beds towards transitional and permanent housing options especially for recently released inmates from correctional facilities and those in need of substance abuse treatment.
- Improve access/coordination across mainstream services and benefit sources

In addition, the strategies that preserve and expand the supply of affordable housing, and the programs that enable low income residents to pay for housing (e.g., rental assistance) also support the objective of reducing homelessness:

- Preserve existing affordable housing (both publicly assisted and private).
- Maintain a system of public housing and rental assistance
- Increase the supply of housing

Special Needs

Objective #4: Ensure that Massachusetts residents with long-term support needs have access to appropriate services and accessible, community housing options that maximize consumer choice.

Strategies to Address the Housing Needs of Those with Special Needs:

- Encourage community-based, supportive living options for the disabled
- Provide a range of housing options and services for persons with special needs

In addition, the strategies that preserve and expand the supply of affordable housing, and the programs that enable low income residents to pay for housing (e.g., rental assistance) also support the objective of reducing homelessness:

- Preserve existing affordable housing (both publicly assisted and private).
- Maintain a system of public housing and rental assistance
- Increase the supply of housing

Non-housing Community Development

Objective #5: Enhance the prosperity and economic competitiveness of all regions of the state, ensuring that economic growth is compatible with community and environment.

Non-housing Community Development Strategies:

- Support municipalities with planning and technical assistance
- Assist communities with public facilities and infrastructure improvement
- Support local business development and retention strategies
- Assist low- and moderate-income individuals and communities through individual and institutional development

Fair Housing

Objective, #6: Ensure full and fair access to housing for all residents.

This objective applies to all populations and program areas. In a complementary – and ongoing – process, DHCD is collaborating with stakeholders to develop an Analysis of Impediments to Fair Housing (which will include proposals to mitigate fair housing barriers), which will be published in 2005 and incorporated into this document at that time. This process is described more fully in the “Strategies for Reducing Barriers to Affordable Housing” section within this Strategic Plan.

Strategy to address fair housing:

In addition to the foregoing, DHCD shall be guided by the following mission statement and principles in developing and implementing its policies and programs:

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

1. **Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
2. **Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
3. **Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
4. **Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.
5. **Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
6. **Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
7. **Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
8. **Balance Housing Needs.** Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.

9. **Measure Outcomes.** Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.
10. **Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies.** Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

Measuring Outcomes

The Commonwealth is working with HUD and the Council of State Community Development Agencies (COSDA), among others, to refine its performance measurement system to one that more effectively measures outcomes. This represents a departure from traditional metrics that focused on activities, not results. At the time this Consolidated Plan was being prepared, DHCD was still in the process of evaluating several alternative approaches. If, and when, a new system is adopted, it will be incorporated into future plans.

In the interim, DHCD will be guided by some, or all, of the following performance measures:

Rental Production

- Number of affordable units produced for each income category
- Number of units for households at or below 30% of area median income
- Number that are accessible under Section 504
- Number of units that meet the International Building Code (IBC) energy standards
- Of the units meeting IBC standards, the number meeting Energy Star standards

Rental Preservation

- Number of affordable units preserved for each income category
- Number of units for households at or below 30% of area median income
- Number that are accessible under Section 504
- Number of units that meet the International Building Code energy standards
- Of the units meeting IBC standards, the number meeting Energy Star standards
- Number of units brought to lead safety standards
- Number of unit-years of extended affordability

Homeownership Production

- Number of affordable units produced
- Number of units for households at or below 30% of area median income
- Number that are accessible under Section 504
- Number of units that meet the International Building Code energy standards
- Of the units meeting IBC standards, the number meeting Energy Star standards

Homebuyer Assistance

- Number of homebuyers assisted
- Of the number of homebuyers assisted, the number that are residents of public housing or of a manufactured home community.

- Number of minority households assisted

Addressing Homeless Needs

- Number of tenancies preserved
- Number of permanent placements that result in successful tenancies
- Number of additional units brought on line for formerly homeless or at-risk (ELI) families/individuals
- Documented movement of families/individuals from shelters to transitional/permanent housing
- Number of shelter beds converted to transitional/permanent housing
- Number of consumers receiving mainstream benefits who previously had not been
- (See production/preservation measures)

Addressing Special Needs

- Number of placements that resulted in successful tenancies
- Number of new developments that include units for special needs populations
- (See production/preservation measures)

Non-housing Community Development

- Amount of federal funds per number of persons or households (as appropriate to project or activity)
- Amount of money leveraged from other (federal, state, private sources) per number of persons or households (as appropriate to project or activity)
- Number of activities part of a targeted revitalization effort
- Number of activities addressing slum/blight on spot basis
- Number of commercial façades/buildings rehabilitated (site specific, not target area based)
- Acres/sq. feet of brownfields redeveloped (site specific, not target area based)
- Number jobs created
 - With employer sponsored health care
 - Type of job created (use existing EDA classification)
 - Prior employment status before taking job created
 - Number unemployed prior to taking job created (N/A for projects awarding funding on a “made available to basis”)
- Number jobs retained
 - With employer sponsored health care
 - Type of job created (use existing EDA classification)
 - Prior employment status before taking job created
 - Number unemployed prior to taking job created (N/A for projects awarding funding on a “made available to basis”)
- Number of businesses assisted (new, expansion, relocation, start-up)
 - DUNS number
 - Two digit NAIC industry classification (if needed with DUNS)
- Does assisted business provide a good or service to meet needs of service area/neighborhood/community (to be determined by the community)

Strategies for Reducing Barriers to Affordable Housing

The economics of housing development in Massachusetts dictate that new housing, affordable to low and moderate income families and individuals, cannot be produced without some form of subsidy. Section 2 described the many barriers to affordable housing production, some of which are unique to affordable housing and others of which apply to housing development of all types. The Commonwealth's high construction, labor and land costs – not to mention the high cost of heating and maintaining its existing, aging housing stock – present an enormous challenge. These economic barriers are compounded by the state's legal framework, which gives its 351 municipalities control over a wide range of local land use decisions.

While localities exert control over many of the barriers identified in Section 2, the state has undertaken initiatives and created incentives to help communities approach residential development more positively. The Romney administration has adopted the following strategies to begin to break down these barriers and improve the efficiency of the state's housing delivery system:

- To respond to the high cost and relative scarcity of land *available* for development in the eastern part of the state and to promote sustainable development throughout the state, the state has enacted Chapter 40R (allowing communities to adopt residential Smart Growth overlay districts), has sold appropriate state-owned sites for housing development, and targeted Transit Oriented Development (TOD) opportunities.
- To respond to the higher costs associated with building on marginal, often contaminated, sites that are available, the administration has provided grants, loans, technical assistance, information and referral to communities on financial resources and development opportunities. In addition, DHCD is a participant in the Brownfields Partnership, including federal and state representatives from the Attorney General's office, EPA, DEP, MassDevelopment, DHCD and other state and federal agencies dealing with brownfields issues.
- To upgrade and expand the infrastructure in local communities the Commonwealth makes available state and federal financial resources on a competitive basis.
- Building on the foundation laid by his predecessors, the Governor has implemented a number of the recommendations made in the 2002 *Report of The Governor's Special Commission on Barriers to Housing Development*. These include using the Code Coordinating Council as a forum to coordinate the promulgation of building and specialty codes to eliminate duplication and to clarify jurisdictions for enforcement and appeals, and the implementation of a system of fast tracking state permits for projects that meet the goals of sustainable development.
- To incent communities to expand the supply of housing, Executive Order 418 and Commonwealth Capital direct the Executive Offices of Environmental Affairs and Transportation and Construction, and the Departments of Housing and Community Development and Economic Development to give preference in awarding discretionary grants to communities that demonstrate progress in addressing the need for housing for a broad range of incomes.
- To respond to restrictive local zoning and land use controls Governor Romney appointed a Chapter 40B Task Force in February 2003 to reaffirm the need to increase the supply of affordable housing, assess the effectiveness of Chapter 40B in addressing the housing need and overcoming zoning barriers, identify the impacts created and determine if they were

commensurate with the public benefit, and propose modifications to improve the effectiveness of the law. The Task Force, composed of members of the Legislature, housing officials, regional and municipal officials, and stakeholders representing development and environmental interests, conducted in-depth analysis and received testimony before recommending 17 modifications to mitigate impacts of Chapter 40B and improve its effectiveness. Many of the recommendations sought to address equity concerns, local capacity, improve the permitting process, reduce appeals backlogs, and improve land use through smart growth initiatives and improved local and regional planning.

- To improve the planning and organizational capacity of the state's smaller jurisdictions, DHCD and its partner agencies offer assistance in the form of training sessions, workshops, and conferences; grants for consultative assistance through the Peer-to-Peer program; planning assistance through the Priority Development Fund and the Chapter 40B Planned Production program; and participation in collaborative training efforts, such as the Citizen Planner Training Collaborative and the Local Capacity Building Partnership.
- To overcome the reluctance of communities to allow affordable housing to be built because of concerns related to fiscal impact, property values and "community character," DHCD, with its partner agencies, has developed a series of workshops and outreach materials covering subjects identified by communities through surveys and feedback. The agency also regularly uses focus groups as a way to get input on modifying or creating programs to address the concerns of municipalities.

All of these steps are being taken in recognition of housing affordability's vital importance to the quality of life of all but the most affluent households, and to the continuing economic competitiveness of the state. The Commonwealth will continue its efforts to ameliorate the negative, restrictive effects of government policy on housing development for individuals and families across a broad range of incomes.

Lead Based Paint Strategies

During the period covered by this plan, the Commonwealth intends to continue its vigorous implementation of the Massachusetts Lead Law and the HUD Lead-Safe Rule, targeting high-risk communities. The Massachusetts Department of Public Health Childhood Lead Poisoning Prevention (MACLPPP) Program's comprehensive approach includes the following activities:

- Mandatory, universal blood testing of young children and central reporting to MACLPPP. Review and analysis of results and dissemination of public information on high-risk areas. Identification of EBL and lead poisoned children per CDC Guidelines. Referral to state supported case managers and lead nurses.
- Low cost analysis of blood lead samples through the State Laboratory Institute.
- The training and licensing system for inspectors and contractors by MACLPPP and the state's Department of Labor and Workforce Development (DLWD).
- Public education activities funded through the Lead Education Trust Fund and coordinated through the state-supported Lead Educator at MACLPPP. This includes 8-10 local groups that focus on public education in designated high-risk areas.

- Testing and registration of liquid encapsulants by MACLPPP.
- Case management of all children with blood lead levels of 15 micrograms/deciliter. Development of new data systems to identify and case manage children with blood lead levels of 10 micrograms/deciliter. Includes home visits by lead counselors and health care follow-up by “lead” nurses, both supported by the state.
- Enforcement through local housing officials, public inspectors and housing courts. MACLPPP provides public lead inspectors, training for local building officials to perform Lead Determinations (there are over 200 trained at present), and legal services for bringing cases to court.
- Maintenance and improvement of central databases at MACLPPP, including development of a Registry of Lead-Safe units.
- Revisions to existing regulations to lower the cost in de-leading, including moderate risk and low risk de-leading regulations permitting lead-safe contractors and owners to perform some types work after training and certification. Implementation of moderate and low-risk regulations through training and public education.
- Financial assistance and incentives to encourage homeowners and landlords to de-lead, including:
 1. 0%, deferred payment loans through the Get The Lead Out Program administered by DHCD and MassHousing.
 2. Continuation of the state de-leading tax credit of \$1500 per unit.
 3. Continued use of the Massachusetts Lead Abatement Program IV (HUD Lead Hazard Control Round 10) in targeted high-risk communities

These actions extend well beyond the requirements of the HUD Lead-Safe Rule, or other federal requirements, and it is expected that they will result in abatement of thousands of units of private and public housing. In the public sector, especially, initiatives are targeted at high-risk communities where the evidence strongly suggests that additional investment and support is needed to protect children.

Low Income Housing Tax Credit Use

The Department of Housing and Community Development is the lead agency for the preparation of both the Consolidated Plan and for the state’s Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan. The Qualified Allocation Plan (QAP) establishes the priorities and policies under which the state will operate and distribute funds in its federal tax credit program. In much the same manner as it does when it prepares its HUD Community Planning and Development Consolidated Plan and One Year Action Plans, DHCD considers the Commonwealth’s affordable housing needs and the condition of its housing markets when it prepares its LIHTC Qualified Allocation Plan. The two plans are complementary and consistent, and the QAP is incorporated by reference into this Consolidated Plan. The QAP is available in its entirety on the DHCD website, <http://www.mass.gov/dhcd/components/housdev/TxCrProg.pdf>.

After careful consideration of the housing needs identified in sections 2 and 3 of this plan, and elsewhere, as well as the comments and suggestions of many interested parties, DHCD established the state's 2005 Tax Credit Allocation Plan. Consistent with the Consolidated Plan, DHCD intends to allocate credit to:

- projects that create new affordable housing units, in particular units suitable for families
- projects that are consistent with the ten Sustainable Development principles
- projects that are part of comprehensive neighborhood improvement plans or initiatives, including HOPE VI projects with approved federal grants
- projects that preserve valuable existing affordable units
- projects that include units for individuals or households with incomes below 30 percent of area median income
- projects with low per-unit costs
- projects located in communities or neighborhoods with expanding social and/or educational opportunities, increasing employment opportunities or significant revitalization and investment activity.

DHCD wishes to support a reasonable mix of affordable housing projects, including small to medium-size projects that create new affordable units; preservation projects that maintain rents at affordable levels for low-income households; and HOPE VI redevelopment projects that have the potential to improve devastated neighborhoods. Therefore, during 2005, the Department intends to allocate the available credits such that:

- 65 percent of the remaining credit is allocated to projects that create new units, either through rehabilitation or new construction, with an emphasis on small or medium-sized projects, and
- 35 percent of the remaining credit is allocated to large-scale projects with significant federal resources, such as expiring use restrictions projects, and other preservation projects.

Public Housing Initiatives

No Massachusetts state agency administers federal public housing funds, but DHCD does fund, and oversees, a portfolio of approximately 50,000 state-aided public housing units that are owned and operated by 242 local housing authorities (LHAs). The Commonwealth has taken several steps to encourage tenant participation and homeownership.

Encouraging tenant participation in public housing management

DHCD recognizes that effective administration of its public housing programs includes effective tenant organizations. To encourage the formation of representative organizations and to provide such organizations with the opportunity to be heard and participate in matters affecting the interests of the residents, DHCD has promulgated regulations on tenant participation.

State regulations require that for state-aided public housing, local tenant organizations (LTOs) are consulted when changes in policies affecting tenants are proposed, when the annual operating budget is prepared, when LHA jobs become available or when modernization funds become available to the LHAs. They are notified of all LHA board meetings. Each LTO proposes an annual budget, based on the number of units it represents for funding its administrative functions. In addition, DHCD annually provides funding to the Massachusetts Union of Public Housing Tenants, which advocates for all public housing tenants on a statewide level, helps new LTOs organize, and provides related assistance to LTOs.

Encouraging homeownership among public housing tenants

The state has set up a program, which allows tenants of participating LHAs to have the portion of their rent attributable to work-related expenses, including taxes, to be held in escrow for their benefit. The state has appropriated funds to reimburse housing authorities for the rent loss when part of the tenant rent is placed in escrow. Tenants can accumulate up to \$10,000 in their escrow accounts and access these funds to pay expenses of making the transition to unsubsidized private housing, including homeownership.

The program is available to all LHAs managing state-aided family housing. Currently, 22 LHAs are administering the program in their local community.

Encouraging Work and Education

In addition, DHCD's rent regulations support tenant self help by allowing tenants a one-time twelve month opportunity to exclude earned income from the rental calculation as they move from dependency on government cash benefits to self-sufficiency through employment.

Several other regulatory provisions also support tenant self-help. Tuition for a household member who is not a full-time student is deductible from income for the purpose of rent determination. (State public housing tenants pay either 25% to 32% of their net household income for rent, depending on whether they live in elderly/handicapped or family housing and whether they pay separately for some or all utilities.) Wages earned by a full-time student are not included in family income. Finally, daycare expenses are deductible up to the full amount of a tenant's income. All of these measures are intended to provide incentives for work or education.

Fair Housing

Governor Romney has convened a Fair Housing Advisory Panel to undertake a comprehensive analysis of fair housing issues throughout Massachusetts and make recommendations for addressing the issues of fair access to housing addressed in this plan and raised by the Panel and others. The Panel began its regular meetings in October 2004 and expects to publish its findings and recommendations in early 2005.

The scope of work that the Panel has undertaken entails creating a summary of the legal framework for fair housing, and completing a housing needs assessment based upon a comprehensive demographic analysis. The Panel is also analyzing the impediments to fair housing and recommending specific actions that will enable the state and its partner stakeholders to advance fair housing objectives. These recommendations may include, but not be limited to: education and outreach; affirmative fair marketing of publicly subsidized housing; best lottery

practices; data collection for publicly subsidized housing to measure performance with respect to attainment of fair housing objectives; creating opportunities for universal access to subsidized housing; development of ongoing training opportunities for local officials and managers; developing approaches to mitigate local hostilities toward housing development; and addressing residency preference issues. The Panel collaborated to develop the Mission Statement and Principles of Fair Housing contained in Objective #6 of the Strategic Plan that will guide DHCD in future policy and program development and implementation.

It is the hope of the administration that the findings and recommendations of the Fair Housing Advisory Panel will be a useful tool not only for the Department of Housing and Community Development and its public and quasi-public partners, but for its partners in the housing delivery system throughout Massachusetts. A complement to this document is the state's Analysis of Impediments to Fair Housing, which will be published in 2005.

Anti-poverty Strategy

Anti-poverty strategies are an integral part of program design, development and implementation throughout the Department of Housing and Community Development and the Executive Office of Health and Human Services. DHCD recognizes that the approach to mitigating the causes and effects of poverty must be incremental and sustaining if self-sufficiency is to be achieved and maintained.

The State's strategies reflect a two pronged approach: 1.) the development and implementation of human service and economic development activities that assist economically disadvantaged persons to identify problems and causes, and 2.) the development of plans to overcome these barriers. The objective is to empower low-income families to thrive with minimal dependence on "public assistance." The desired outcome of these activities is to enable participants to achieve the highest level of family and community self-sufficiency. Ultimately, anti-poverty strategies result in the revitalization of communities in way that ensures their economic viability as well as their environmental and social vitality.

DHCD and EOHHS programs and policies seek to address the full spectrum of problems facing low-income families and communities. The Commonwealth's fiscal policies, (particularly the state income tax) have been developed to help alleviate the disproportionate financial burden of the working poor, and support DHCD's initiatives.

The responsibility for mitigating the causes of poverty does not rest solely with the administering state agencies. To carry out this "mission," the state partners with a variety of resources within the community as well as other state and quasi-public agencies, to provide comprehensive programs within every community in the Commonwealth of Massachusetts.

Institutional Structure and Coordination

Along with the Executive Offices of Energy, Transportation and Construction, and Environmental Affairs, DHCD is now part of a new Office for Commonwealth Development (OCD). Created by Governor Romney in 2003, OCD's mission is to care for the state's built and natural environment by promoting sustainable development and ensuring that the policies, programs and regulations of the various state agencies are coordinated toward that end. OCD is charged with encouraging coordination and cooperation among agencies, investing public funds wisely in smart growth and equitable development. It is guided by a set of ten sustainable development principles (refer to

Table 4.1). In allocating resources, OCD gives priority to investments that deliver living wage jobs, transit access, housing, open space, and community-serving enterprises.

The economic development strategies of the Commonwealth are within the realm of Secretary of Economic Development, who also oversees the Departments of Business & Technology, Consumer Affairs and Business Regulation, and Labor and Workforce Development. Together these agencies promote the state's overall economic competitiveness and the individual work-readiness of its residents. Shortly after taking office in 2003, Governor Romney appointed seven Regional Competitiveness Councils (RCCs) whose mission is to promote regional growth and attract jobs to the state, to facilitate Massachusetts' economic recovery.

The following year, at the Governor's request, the Legislature created the Commonwealth Development Coordinating Council to advise the Administration in the preparation of a coordinated development policy for the state that addresses housing, transportation, capital development, economic development, and the preservation of natural resources. The Director of OCD chairs this Council, and in this capacity, coordinates with Economic Affairs advisory bodies, including the recently established Regional Competitiveness Councils and the Governor's Economic Development Council.

Reflecting the mission of the Office for Commonwealth Development (OCD), DHCD recognizes that planning for growth in a vibrant Commonwealth means working with 351 cities and towns to integrate their diverse needs for housing, jobs, services, transportation and historic, cultural, and natural resources. It also means working with myriad agencies and funding sources, ensuring that public funds are invested wisely. In order to achieve these objectives, OCD and DHCD encourage the coordination and cooperation of all state agencies.

Key Agencies Administering HUD Consolidated Plan Funds

DHCD – whose mission is to strengthen cities, towns, and neighborhoods, enhancing the quality of life for all of Massachusetts residents – is the lead agency for the state's housing and community development policies and programs. It is charged with oversight of the Consolidated Planning process, including plan preparation, submission and performance monitoring, and it administers the Community Development Block Grant and HOME funds allocated to the state. The Department of Transitional Assistance (DTA) within the Executive Office of Health and Human Services (EOHHS) administers the state's Emergency Services Grant funds, and the AIDS Bureau within the Department of Public Health at EOHHS administers the state's Housing Opportunities for Persons With AIDS (HOPWA) program. All three agencies partner with regional and local governments, public agencies, community-based organizations, and the business community to achieve the goals and objectives articulated in this plan.

DHCD is organized into the following divisions for delivery of services and agency operations:

- Office of the Director includes executive, policy, legislative, and public information staff. In addition to coordinating the policies of the department with OCD and the governor, the Office of Policy Development is responsible for coordinating technical assistance relative to planning, zoning, Chapter 40B and Chapter 40R.
- Office of Administration and Finance manages all administrative and fiscal aspects of agency operations (e.g., purchasing, personnel, payroll, accounting, budget, internal controls,

information services), and serves as the agency's liaison to state's Comptroller's Division, Fiscal Affairs Division, and Executive Office for Administration and Finance.

- Office of the Chief Counsel provides legal services to the department and acts as liaison to the Attorney General's government law bureau. The Chief Counsel conducts administrative law hearings as prescribed by state law.
- Division of Community Services (DCS) administers the state's Community Development Block Grant Program and several state grant programs serving municipalities. It also provides technical assistance in the areas of downtown revitalization, urban renewal, and economic development. DCS also manages the state's allocation of Community Services Block Grant (CSBG) funding, as well as the federally funded Low Income Home Energy Assistance Program and the Weatherization Assistance Program. It oversees operations of community action agencies through which many of these programs are delivered. DCS also manages the state's Community Development Action Grants awarded to municipalities.
- Division of Housing Development administers the state's allocation of HOME funds, as well as federal and state Low Income Housing Tax Credits and several state programs promoting private development and rehabilitation of affordable housing (e.g., state's Housing Stabilization Fund and Capital Improvement and Preservation Fund). The division also manages the state's Housing Innovations Fund and Facilities Consolidation Fund, which support the private development of housing for special populations and administers the Local Initiative Program for community based housing.
- Division of Public Housing and Rental Assistance provides funding and both fiscal and management oversight of the operations of local housing authorities, especially with regard to their operation of state public housing and rental assistance programs. It funds, develops or approves plans and specifications for, and oversees construction projects at housing authorities' state-aided developments. It also manages the Massachusetts Rental Voucher Program (MRVP) and the Commonwealth's Section 8 portfolio, using contracts with regional administering agencies. DHCD is a HUD-recognized public housing authority.

Independent state agencies and authorities placed by law within DHCD include MassHousing, the Massachusetts Housing Partnership Fund, the Community and Economic Development Assistance Corporation, and the Community Development Finance Corporation. The director of DHCD is a member of the boards of directors of each of these agencies. The director, by law, is co-chair of the Economic Assistance Coordinating Council and a member of the governor's Local Government Advisory Committee (a forum of the Governor/Lt. Governor and elected and appointed local officials) and the Massachusetts Rural Development Council. The Commission on Indian Affairs and the state's Manufactured Housing Commission are also within DHCD, as is the Housing Appeals Committee, the adjudicatory body for appeals of comprehensive permit decisions made by local Zoning Boards of Appeals, pursuant to MGL Chapter 40B, Sections 20-23.

The Executive Office of Health and Human Services is led by the state's Secretary of Health and Human Services, who reports to the Governor. EOHHS provides policy direction, general oversight, and certain fiscal and administrative services to the state's departments that serve the health and human service needs of the Commonwealth's residents. The Department of Transitional Assistance administers ESG and the Department of Public Health administers HOPWA. In addition, DHCD often collaborates with a number of other departments within EOHHS, including:

Massachusetts Rehabilitation Commission
Department of Elder Affairs
Department of Veterans' Services
Department of Mental Health
Department of Mental Retardation
Department of Public Health
Department of Transitional Assistance
Office of Child Care Services

Organization and Infrastructure

In order to fulfill the aims of the Consolidated Plan, DHCD meets regularly with the other agencies involved in implementation of state and federal grant programs and state policy initiatives that relate to Consolidated Plan activities. In addition to the various EOHHS agencies with whom the agency collaborates to address the housing and human service needs of the state's low income residents, and the other Office of Commonwealth Development agencies and the Department of Economic Development, with which it works on economic development and infrastructure issues and projects, DHCD regularly consults and coordinates with other state and federal agencies. The expertise and resources of the U.S. Environmental Protection Agency, Massachusetts Department of Environmental Protection, and the Governor's Office for Brownfields Revitalization, for example, contribute to the Commonwealth's capacity to assist communities with redevelopment of properties that may have environmental contamination issues. In addition, DHCD and MassDevelopment, the quasi-public state agency responsible for financing and managing community and economic development projects, have a close working relationship.

In addition to the organizational changes instituted by Governor Romney (described above), Massachusetts has developed the following high level strategic partnerships since the submission of the last Consolidated Plan:

- Interagency Council on Housing and Homelessness
- Interagency Leadership Team on Community Based Housing
- Regional Competitiveness Councils
- Interagency Sustainable Development Team

In order to maximize efficiency in its policies and programs, DHCD's reach extends to a wide variety of public and private agencies. The cooperative efforts forged among these partners enable the Department to improve service delivery and broaden its knowledge of the major issues facing its constituents. The department is currently involved in a variety of interagency initiatives including:

- Cabinet Meetings As a member of the Governor's cabinet, the director of DHCD attends weekly discussions with cabinet secretaries and other department heads to discuss timely topics and resolve major issues affecting the residents of the Commonwealth. Many of the issues addressed by the Governor's cabinet require interagency cooperation and participation.

- Interagency Council on Housing and Homelessness The director is a member of this task force for policy and planning, which is charged with improving the coordination of services and programs for homeless populations and for developing, implementing and monitoring initiatives to end homelessness.
- Enhanced Community Based Services Plan DHCD participated on the Interagency Leadership Team that drafted the *Enhanced Community Based Services Plan* dated July 2002. Consistent with the plan, DHCD continues to create incentives to increase the supply of housing and maximize the existing housing resources in order to expand community-based housing options for people with disabilities.
- Health and Human Services Task Force on Special Needs and Homelessness DHCD and the EOHHS agencies work together to coordinate the administration of the Continuum of Care.
- The Governor's Commission on Domestic Violence The director is a member of this commission which is comprised of a variety of private and public agencies that share a common goal: to protect and improve the quality of life and quantity of services provided to victims of domestic violence.

Other continuing outreach and coordination efforts include:

- Membership on the Local Government Advisory Committee, a group of 40 local officials who meet periodically with the governor or lieutenant governor on issues of mutual state and local concern. Among issues discussed are local aid, education funding to communities, transportation and economic development
- Membership on the Metropolitan Area Planning Council and the Massachusetts Association of Regional Planning Agencies. DHCD's membership enables it to provide ongoing technical assistance and program updates to regional planning agencies and other local stakeholders.
- Representation on the Rural Development Council, a federal initiative to encourage partnerships among the state, federal, and local governments, and private businesses to identify rural concerns and establish priorities for concerted action.
- Massachusetts Office on Disabilities (MOD) The CDBG Bureau has developed a close working relationship with the Massachusetts Office on Disabilities (MOD). MOD offers added expertise as the Bureau works with grantees on their Americans with Disabilities Act (ADA) compliance and regulatory issues. The CDBG Bureau and its grantees also benefit from MOD's technical assistance on specific project design and development, as well as on review of proposed activities.
- Membership on the state Water Resources Commission, Massachusetts Historic Commission, Agricultural Lands Preservation Committee, and Manufactured Housing Commission.
- Other Relationships The department also maintains relationships with grantees of both state and federal grant programs, and targets larger municipal audiences through its own publications, workshops, and contributions to similar endeavors sponsored by the Massachusetts Municipal Association. In addition, daily monitoring of housing authority operations, as well as participating in conferences and workshops sponsored by the Citizen's Housing and Planning Association (CHAPA), and the Massachusetts chapter of the National

Association of Housing and Redevelopment Officials (NAHRO) serve as vital links to the housing authority and non-profit housing development and advocacy communities. Also, the board of commissioners of each local and regional housing authority has a “state member,” appointed by the Governor.

Partnering with Regional, Local and Non-governmental Entities

DHCD will continue to strive to improve its outreach, information dissemination, and partnerships with and among all of its constituencies. Outreach to regional, local and non-governmental agencies, including the private sector, will continue, including participation in or sponsorship of meetings and conferences which serve housing developers, community development corporations, housing advocacy and research organizations, local housing authorities, local community development personnel, and consultants and academics working in the housing and community development fields. In addition, outreach will include:

- Greater use of the internet for notices of grant availability, program descriptions, guidance and technical assistance, and regulatory changes.
- DHCD will continue to work with entitlement communities, especially in the area of low and moderate income housing development.
- Examination and clarification of the interrelationships among state and federal programs, which may serve the same or very similar purposes, but operate under different regulatory requirements.

The current institutional structure for carrying out the state’s housing and community development plan is strong. Numerous organizations possess a great deal of expertise in and commitment to carrying out necessary activities. State agencies make considerable effort to coordinate their efforts, but opportunities to more closely integrate their policies and programs still exist, and efforts to do so will continue. Fundamental aspects of the structure of state and local government will continue to pose challenges, which the state will seek to address through outreach, technical assistance, incentives, and cooperation. The state will continue pursuing its housing and community development plan.